



State of Washington
Department of Revenue

Excise Tax Advisory

Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

NUMBER: 268.04.192

CONVERSION DATE: July 1, 1998

INDIAN OWNED CORPORATION DOING BUSINESS ON A RESERVATION

Issued September 23, 1966

Does a corporation owned by Indians and doing business within an Indian reservation qualify for exemption from Business Tax?

The taxpayer, a corporation, was partially owned by Indians. The taxpayer's place of business was located within an Indian reservation. Exemption from Business and other excise taxes was claimed because of the ownership interests of Indians in the corporation.

Rule 192 provides that Indians are not taxable with respect to business conducted by them wholly within an Indian reservation. The term Indian is defined to include "only persons registered on the tribal rolls at Indian agencies and who live within the boundaries of an Indian reservation." The Commission held that a corporation cannot be considered as being "registered on the tribal rolls at Indian agencies" nor can a corporation "live within the boundaries of an Indian reservation." The partial ownership of the corporation by Indians was immaterial since a corporation is a legal entity separate and apart from its owners. Therefore, the taxpayer was subject to Business Tax and other excise taxes. (Letter.)

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

To inquire about the availability of receiving this document in an alternate format for the visually impaired or language other than English, please call (360)753-3217. Teletype (TTY) users please call 1-800-451-7985.

Please direct comments to:
Department of Revenue
Legislation & Policy Division
P O Box 47467
Olympia, Washington 98504-7467
(360) 753-4161 eta@DOR.wa.gov